

W-02181A-15-0216



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ORIGINAL

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

RECEIVED

Investigator: Michael BuckPhone:2015 JUL -9 Fax: 2:10Priority: Respond Within Five DaysOpinion No. 2015 - 123147Complaint Description: 08A Rate Case Items - Opposed  
N/A Not Applicable

AZ CORP COMMISSION

DOCKET CONTROL  
Date: 7/8/2015

Arizona Corporation Commission

DOCKETED

First:Last:

JUL 09 2015

Complaint By:Account Name:Home:

DOCKETED BY

MLB

Street: N/AWork:City: N/ACBR:State: AZ Zip: N/Ais: E-MailUtility Company: Pine Valley Water CompanyDivision: WaterContact Name:Contact Phone:Nature of Complaint:

OPPOSED DOCKET NO. W-02181A-15-0216 NAME REDACTED PER CUSTOMERS REQUEST

With respect to the current request for a rate increase by Pine Valley Water company, my understanding is as follows. The increase itself for me personally would be roughly a 70% increase. Based on casual conversation in the neighborhood, my best guess is that 3 family members are drawing full or partial salaries from the company, and did so in the year that the new adsorption equipment was installed. They are claiming a \$4500 loss that year and had previously indicated to the neighborhood that the new equipment cost approximately \$45,000 so I infer that they are currently profiting about \$40,000 each year\* plus 3 full or partial salaries. They further profit that ongoing media replacement will cost approximately \$4k per year, or only 10% of their profit after salary. These are simply a best guess on the facts of the situation from which to evaluate further.

My thinking on this is two-fold. For the last 14 years they have resisted upgrading their equipment to meet safety standards, during which we have had to treat our own water (after receiving it from the water company) yet paid full price. I would prefer to see them effectively amortize the one time cost over the 14 years and absorb that fee themselves.

As for the 70% increase....I can only assume that was intentionally inflated with the assumption you would likely meet them halfway. However it's still seems odd to request an additional \$32k per year to cover a \$4k expenditure. Since the \$4k media is roughly 10% of their estimated profit after salaries (and to be clear, only one of those people is actually working there...the mother is long-retired and the son has a full time job elsewhere)...I personally suggest that the rate increase be 10% to cover their new cost, and no more.

Thanks for your consideration.

\* they also claim that the 70% increase will net them \$32k per year, indicating \$45k profit per year, so I think we are in the right ballpark with this number.

\*End of Complaint\*

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Utilities' Response:

Investigator's Comments and Disposition:

7/8/15 DOCKETED FOR THE RECORD. CLOSED

\*End of Comments\*

Date Completed: 7/8/2015

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